

AMENDED IN ASSEMBLY MARCH 31, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 448**

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**Introduced by Assembly Member Ammiano**

February 15, 2011

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~~An act relating to taxation.~~ *An act to amend Sections 64, 480.1, 480.2, and 482 of, and to add Section 480.9 to, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.*

LEGISLATIVE COUNSEL'S DIGEST

AB 448, as amended, Ammiano. Property taxation: change in ownership.

*The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, "full cash value" is defined as the assessor's valuation of real property as shown on the 1975–76 tax bill under "full cash value" or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. Existing property tax law specifies those circumstances in which the transfer of ownership interests in a corporation, partnership, limited liability company, or other legal entity results in a change in ownership of the real property owned by that entity, and generally provides that a change in ownership as so described occurs when a legal entity or other person obtains a controlling or majority ownership interest in the legal entity. Existing law also specifies other circumstances in which certain transfers of ownership interests in legal entities result in a change in ownership of the real property owned by those legal entities.*

*This bill would instead specify that when 100% of the ownership interests in a legal entity, as defined, are sold or transferred in a single*

*transaction, as specified, the real property owned by that legal entity has changed ownership, whether or not any one legal entity or person that is a party to the transaction acquires more than 50% of the ownership interests. The bill would require the State Board of Equalization to notify assessors when a change in ownership as so described occurs.*

*Existing law requires a person or legal entity that obtains a controlling or majority ownership interest in a legal entity, or an entity that makes specified transfers of ownership interests in the legal entity, to file a change in ownership statement signed under penalty of perjury with the State Board of Equalization, as specified. Existing law requires a penalty of 10% of the taxes applicable to the new base year value, as specified, or 10% of the current year's taxes on the property, as specified, to be added to the assessment made on the roll if a person or legal entity required to file a change in ownership statement fails to do so.*

*This bill would require a person or legal entity acquiring ownership interests in a legal entity, when 100% of the ownership interests in the legal entity are sold or transferred, as described above, to file a change in ownership statement signed under penalty of perjury with the State Board of Equalization. This bill would increase the penalties for failure to file a change in ownership statement, as described above, from 10% to 20%.*

*By expanding the crime of perjury, this bill would impose a state-mandated local program.*

*The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

*This bill would include a change in state statute that would result in a tax payer paying a higher tax within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of  $\frac{2}{3}$  of the membership of each house of the Legislature.*

*This bill would take effect immediately as a tax levy.*

~~The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, "full cash value" is defined as the assessor's valuation~~

of real property as shown on the 1975–76 tax bill under “full cash value” or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. Existing property tax law specifies those circumstances in which the transfer of ownership interests in a corporation, partnership, limited liability company, or other legal entity results in a change in ownership of the real property owned by that entity, and generally provides that a change in ownership as so described occurs when a legal entity or other person obtains a controlling or majority ownership interest in the legal entity. Existing law requires a person or entity that obtains a controlling or majority ownership interest in a legal entity, or an entity that makes specified transfers of ownership interests in the legal entity, to file a change in ownership statement, as provided, and imposes a specified penalty if an assessee fails to file a change in ownership statement, as provided.

This bill would, pursuant to legislative findings and declarations, state the intent of the Legislature to provide greater clarity with regard to those circumstances in which a change in ownership has occurred, to provide greater transparency in ownership patterns with respect to the filing of deeds and with respect to other real property and financial transactions, and to provide improved reporting and stronger enforcement and penalties for the failure to report changes in ownership.

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: no. Fiscal committee: ~~no~~-yes. State-mandated local program: ~~no~~-yes.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. The Legislature finds and declares all of the
- 2     following:
- 3     (a) The system for determining a change in ownership for the
- 4     purpose of assessment of commercial property is complex and
- 5     difficult to administer.
- 6     (b) Property owners use complex legal maneuvers and methods
- 7     of dividing up, or obscuring, ownership patterns, in order to avoid
- 8     reassessment when changes of ownership actually occur.
- 9     (c) There are many circumstances where changes of ownership
- 10    have legally taken place, which are often not known to the assessor
- 11    because they are deliberately obscured, such as keeping the
- 12    property in the name of the old property owner even when a
- 13    company is purchased.

(d) Deeds are filed that describe ownership patterns of such complexity that it is difficult for the legal powers of the counties, and the enforcement powers of the assessor, to be exercised.

(e) Transactions occur that should be identified as changes of ownership, such as a 100-percent purchase of a company, which avoid reassessment because of the ability to divide ownership shares.

(f) Penalties for obscuring, or failing to report, transactions are insufficient to provide incentives to purchasers to self-report, making the job of identifying these transactions by the assessor and the State Board of Equalization more difficult.

(g) Changes in ownership may not trigger reassessment because of leasehold interests that are not transparent to the assessor.

(h) Therefore, it is the intent of the Legislature ~~to enact legislation to revise Sections 64, 480.1, 480.2, and 482 of the Revenue and Taxation Code, in order to provide all of the following:~~

(1) Greater clarity with regard to those circumstances in which a change in ownership has occurred.

(2) Greater transparency in ownership patterns with respect to the filing of deeds and with respect to other real property and financial transactions.

(3) Improved reporting and stronger enforcement and penalties for the failure to report changes in ownership.

*(i) It is further the intent of the Legislature that changes in ownership in which 100 percent of the ownership of a business, whether through mergers, private equity buyouts, transfer of ownership from one financial institution to another, transfers of shares of limited liability companies or trusts, transfers of partnership shares, and other changes by which 100 percent is transferred shall constitute a change of ownership subject to reassessment.*

*SEC. 2. Section 64 of the Revenue and Taxation Code is amended to read:*

64. (a) Except as provided in subdivision (i) of Section 61 and subdivisions (c) and ~~(d) of this section,~~ (d), the purchase or transfer of ownership interests in legal entities, such as corporate stock or partnership or limited liability company interests, ~~shall not be deemed to~~ *does not* constitute a transfer of the real property of the legal entity. This subdivision ~~is applicable~~ *applies* to the purchase

1 or transfer of ownership interests in a partnership without regard  
2 to whether it is a continuing or a dissolved partnership.

3 (b) Any corporate reorganization, where all of the corporations  
4 involved are members of an affiliated group, and that qualifies as  
5 a reorganization under Section 368 of the United States Internal  
6 Revenue Code and that is accepted as a nontaxable event by similar  
7 California statutes, or any transfer of real property among members  
8 of an affiliated group, or any reorganization of farm credit  
9 institutions pursuant to the federal Farm Credit Act of 1971 (Public  
10 Law 92-181), as amended, shall not be a change of ownership.  
11 The taxpayer shall furnish proof, under penalty of perjury, to the  
12 assessor that the transfer meets the requirements of this subdivision.

13 For purposes of this subdivision, "affiliated group" means one  
14 or more chains of corporations connected through stock ownership  
15 with a common parent corporation if both of the following  
16 conditions are met:

17 (1) One hundred percent of the voting stock, exclusive of any  
18 share owned by directors, of each of the corporations, except the  
19 parent corporation, is owned by one or more of the other  
20 corporations.

21 (2) The common parent corporation owns, directly, 100 percent  
22 of the voting stock, exclusive of any shares owned by directors,  
23 of at least one of the other corporations.

24 (c) (1) (A) When a corporation, partnership, limited liability  
25 company, other legal entity, or any other person obtains control  
26 through direct or indirect ownership or control of more than 50  
27 percent of the voting stock of any corporation, or obtains a majority  
28 ownership interest in any partnership, limited liability company,  
29 or other legal entity through the purchase or transfer of corporate  
30 stock, partnership, or limited liability company interest, or  
31 ownership interests in other legal entities, including any purchase  
32 or transfer of 50 percent or less of the ownership interest through  
33 which control or a majority ownership interest is obtained, the  
34 purchase or transfer of that stock or other interest shall be a change  
35 of ownership of the real property owned by the corporation,  
36 partnership, limited liability company, or other legal entity in which  
37 the controlling interest is obtained.

38 (B) (i) *When 100 percent of the ownership interests in a legal*  
39 *entity are sold or transferred in a single transaction to a legal*  
40 *entity or person, whether by merger, acquisition, private equity*

1 *buyout, transfer of partnership shares, or any other means by*  
2 *which a legal entity or person acquires the ownership interests of*  
3 *another legal entity, including the subsidiaries or affiliates of the*  
4 *legal entity and the property owned by those subsidiaries or*  
5 *affiliates, the purchase or transfer of the ownership interests shall*  
6 *be a change of ownership of the real property owned by the legal*  
7 *entity, whether or not any one legal entity or person that is a party*  
8 *to the transaction acquires more than 50 percent of the ownership*  
9 *interests.*

10 *(ii) For purposes of this subparagraph:*

11 *(I) "Legal entity" means a corporation, partnership, limited*  
12 *liability company, or other legal entity.*

13 *(II) "Ownership interests" means corporate voting stock,*  
14 *partnership capital and profits interests, limited liability company*  
15 *membership interests, and other ownership interests in legal*  
16 *entities.*

17 *(III) "Single transaction" means a transaction in which 100*  
18 *percent of the ownership interests are sold or transferred in either*  
19 *one calendar year or within a three-year period beginning on the*  
20 *date of the original transaction when any percentage of ownership*  
21 *interests are sold or transferred.*

22 *(2) On or after January 1, 1996, when an owner of a majority*  
23 *ownership interest in any partnership obtains all of the remaining*  
24 *ownership interests in that partnership or otherwise becomes the*  
25 *sole partner, the purchase or transfer of the minority interests,*  
26 *subject to the appropriate application of the step-transaction*  
27 *doctrine, shall not be a change in ownership of the real property*  
28 *owned by the partnership.*

29 *(d) If property is transferred on or after March 1, 1975, to a*  
30 *legal entity in a transaction excluded from change in ownership*  
31 *by paragraph (2) of subdivision (a) of Section 62, then the persons*  
32 *holding ownership interests in that legal entity immediately after*  
33 *the transfer shall be considered the "original coowners." Whenever*  
34 *shares or other ownership interests representing cumulatively more*  
35 *than 50 percent of the total interests in the entity are transferred*  
36 *by any of the original coowners in one or more transactions, a*  
37 *change in ownership of that real property owned by the legal entity*  
38 *shall have occurred, and the property that was previously excluded*  
39 *from change in ownership under the provisions of paragraph (2)*  
40 *of subdivision (a) of Section 62 shall be reappraised.*

1 The date of reappraisal shall be the date of the transfer of the  
2 ownership interest representing individually or cumulatively more  
3 than 50 percent of the interests in the entity.

4 A transfer of shares or other ownership interests that results in  
5 a change in control of a corporation, partnership, limited liability  
6 company, or any other legal entity is subject to reappraisal as  
7 provided in subdivision (c) rather than this subdivision.

8 (e) To assist in the determination of whether a change of  
9 ownership has occurred under subdivisions (c) and (d), the  
10 Franchise Tax Board shall include a question in substantially the  
11 following form on returns for partnerships, banks, and corporations  
12 (except tax-exempt organizations):

13 If the corporation (or partnership or limited liability company)  
14 owns real property in California, has cumulatively more than 50  
15 percent of the voting stock (or more than 50 percent of total interest  
16 in both partnership or limited liability company capital and  
17 partnership or limited liability company profits) (1) been transferred  
18 by the corporation (or partnership or limited liability company)  
19 since March 1, 1975, or (2) been acquired by another legal entity  
20 or person during the year? (See instructions.)

21 If the entity answers “yes” to (1) or (2) in the above question,  
22 then the Franchise Tax Board shall furnish the names and addresses  
23 of that entity and of the stock or partnership or limited liability  
24 company ownership interest transferees to the State Board of  
25 Equalization.

26 (f) *The board may prescribe regulations as may be necessary*  
27 *to carry out the purposes of the act adding this subdivision.*

28 SEC. 3. *Section 480.1 of the Revenue and Taxation Code is*  
29 *amended to read:*

30 480.1. (a) Whenever there is a change in control *or a change*  
31 *in ownership* of any corporation, partnership, limited liability  
32 company, or other legal entity, as defined in subdivision (c) of  
33 Section 64, a signed change in ownership statement as provided  
34 for in subdivision (b), shall be filed by the person or legal entity  
35 acquiring ownership ~~control~~ of the corporation, partnership, limited  
36 liability company, or other legal entity with the board at its office  
37 in Sacramento within 45 days from the date of the change in control  
38 *or the change in ownership* of the corporation, partnership, limited  
39 liability company, or other legal entity. The statement shall list all

1 counties in which the corporation, partnership, limited liability  
2 company, or legal entity owns real property.

3 (b) The change in ownership statement as required pursuant to  
4 subdivision (a), shall be declared to be true under penalty of perjury  
5 and shall give such information relative to the ownership ~~control~~  
6 acquisition transaction as the board shall prescribe after  
7 consultation with the California Assessors' Association. The  
8 information shall include, but not be limited to, a description of  
9 the property owned by the corporation, partnership, limited liability  
10 company, or other legal entity, the parties to the transaction, and  
11 the date of the ownership ~~control~~ acquisition. The change in  
12 ownership statement shall not include any question which is not  
13 germane to the assessment function. The statement shall contain  
14 a notice that is printed, with the title at least 12-point boldface type  
15 and the body in at least 8-point boldface type, in the following  
16 form:

17  
18 "Important Notice"

19  
20 "The law requires any person or legal entity acquiring ownership  
21 ~~control~~ in any corporation, partnership, limited liability company,  
22 or other legal entity owning real property in California subject to  
23 local property taxation to complete and file a change in ownership  
24 statement with the State Board of Equalization at its office in  
25 Sacramento. The change in ownership statement must be filed  
26 within 45 days from the date of the change in control *or the change*  
27 *in ownership* of a corporation, partnership, limited liability  
28 company, or other legal entity. The law further requires that a  
29 change in ownership statement be completed and filed whenever  
30 a written request is made therefor by the State Board of  
31 Equalization, regardless of whether a change in control *or a change*  
32 *in ownership* of the legal entity has occurred. The failure to file a  
33 change in ownership statement within 45 days from the earlier of  
34 the date of the change in control *or a change in ownership* of the  
35 corporation, partnership, limited liability company, or other legal  
36 entity, or the date of a written request by the State Board of  
37 Equalization, results in a penalty of ~~10~~ 20 percent of the taxes  
38 applicable to the new base year value reflecting the change in  
39 control *or the change in ownership* of the real property owned by  
40 the corporation, partnership, limited liability company, or legal



1 entity (or ~~10~~ 20 percent of the current year's taxes on that property  
2 if no change in control *or change in ownership* occurred). This  
3 penalty will be added to the assessment roll and shall be collected  
4 like any other delinquent property taxes, and be subject to the same  
5 penalties for nonpayment."

6 (c) In the case of a corporation, the change in ownership  
7 statement shall be signed either by an officer of the corporation or  
8 an employee or agent who has been designated in writing by the  
9 board of directors to sign such statements on behalf of the  
10 corporation. In the case of a partnership, limited liability company,  
11 or other legal entity, the statement shall be signed by an officer,  
12 partner, manager, or an employee or agent who has been designated  
13 in writing by the partnership, limited liability company, or legal  
14 entity.

15 (d) No person or entity acting for or on behalf of the parties to  
16 a transfer of real property shall incur liability for the consequences  
17 of assistance rendered to the transferee in preparation of any change  
18 in ownership statement, and no action may be brought or  
19 maintained against any person or entity as a result of that  
20 assistance.

21 Nothing in this section shall create a duty, either directly or by  
22 implication, that such assistance be rendered by any person or  
23 entity acting for or on behalf of parties to a transfer of real property.

24 (e) The board or assessors may inspect any and all records and  
25 documents of a corporation, partnership, limited liability company,  
26 or legal entity to ascertain whether a change in control *or a change*  
27 *in ownership*, as defined in subdivision (c) of Section 64, has  
28 occurred. The corporation, partnership, limited liability company,  
29 or legal entity shall upon request, make those documents available  
30 to the board during normal business hours.

31 *SEC. 4. Section 480.2 of the Revenue and Taxation Code is*  
32 *amended to read:*

33 480.2. (a) Whenever there is a change in ownership of any  
34 corporation, partnership, limited liability company, or other legal  
35 entity, as defined in subdivision (d) of Section 64, a signed change  
36 in ownership statement as provided in subdivision (b) shall be filed  
37 by the corporation, partnership, limited liability company, or other  
38 legal entity with the board at its office in Sacramento within 45  
39 days from the date of the change in ownership of the corporation,  
40 partnership, limited liability company, or other legal entity. The

1 statement shall list all counties in which the corporation,  
2 partnership, limited liability company, or legal entity owns real  
3 property.

4 (b) The change in ownership statement required pursuant to  
5 subdivision (a) shall be declared to be true and under penalty of  
6 perjury and shall give such information relative to the ownership  
7 interest acquisition transaction as the board shall prescribe after  
8 consultation with the California Assessors' Association. The  
9 information shall include, but not be limited to, a description of  
10 the property owned by the corporation, partnership, limited liability  
11 company, or other legal entity, the parties to the transaction, the  
12 date of the ownership interest acquisition, and a listing of the  
13 "original coowners" of the corporation, partnership, limited liability  
14 company, or other legal entity prior to the transaction. The change  
15 in ownership statement shall not include any question which is not  
16 germane to the assessment function. The statement shall contain  
17 a notice that is printed, with the title in at least 12-point boldface  
18 type and the body in at least 8-point boldface type, in the following  
19 form:

20  
21 "Important Notice"

22  
23 "The law requires any corporation, partnership, limited liability  
24 company, or other legal entity owning real property in California  
25 subject to local property taxation and transferring shares or other  
26 ownership interest in such legal entity which constitute a change  
27 in ownership pursuant to subdivision (d) of Section 64 of the  
28 Revenue and Taxation Code to complete and file a change in  
29 ownership statement with the State Board of Equalization at its  
30 office in Sacramento. The change in ownership statement must be  
31 filed within 45 days from the date that shares or other ownership  
32 interests representing cumulatively more than 50 percent of the  
33 total control or ownership interests in the entity are transferred by  
34 any of the original coowners in one or more transactions. The law  
35 further requires that a change in ownership statement be completed  
36 and filed whenever a written request is made therefor by the State  
37 Board of Equalization, regardless of whether a change in ownership  
38 of the legal entity has occurred. The failure to file a change in  
39 ownership statement within 45 days from the earlier of the date of  
40 the change in ownership of the corporation, partnership, limited

1 liability company, or other legal entity, or the date of a written  
2 request by the Board of Equalization, results in a penalty of ~~10~~ 20  
3 percent of the taxes applicable to the new base year value reflecting  
4 the change in ownership of the real property owned by the  
5 corporation, partnership, limited liability company, or legal entity  
6 (or ~~10~~ 20 percent of the current year's taxes on that real property  
7 if no change in ownership occurred). This penalty will be added  
8 to the assessment roll and shall be collected like any other  
9 delinquent property taxes, and be subject to the same penalties for  
10 nonpayment.”

11 (c) In the case of a corporation, the change in ownership  
12 statement shall be signed either by an officer of the corporation or  
13 an employee or agent who has been designated in writing by the  
14 board of directors to sign such statements on behalf of the  
15 corporation. In the case of a partnership, limited liability company,  
16 or other legal entity, the statement shall be signed by an officer,  
17 partner, manager, or an employee or agent who has been designated  
18 in writing by the partnership, limited liability company, or legal  
19 entity.

20 (d) No person or entity acting for or on behalf of the parties to  
21 a transfer of real property shall incur liability for the consequences  
22 of assistance rendered to the transferee in preparation of any change  
23 in ownership statement, and no action may be brought or  
24 maintained against any person or entity as a result of that  
25 assistance.

26 Nothing in this section shall create a duty, either directly or by  
27 implication, that such assistance be rendered by any person or  
28 entity acting for or on behalf of parties to a transfer of real property.

29 (e) The board or assessors may inspect any and all records and  
30 documents of a corporation, partnership, limited liability company,  
31 or legal entity to ascertain whether a change in ownership as  
32 defined in subdivision (d) of Section 64 has occurred. The  
33 corporation, partnership, limited liability company, or legal entity  
34 shall upon request, make those documents available to the board  
35 during normal business hours.

36 *SEC. 5. Section 480.9 is added to the Revenue and Taxation*  
37 *Code, to read:*

38 *480.9. The board shall notify assessors when a change in*  
39 *ownership described in subparagraph (B) of paragraph (1) of*  
40 *subdivision (c) of Section 64 has occurred.*

1     *SEC. 6. Section 482 of the Revenue and Taxation Code is*  
2     *amended to read:*

3     482. (a) If a person or legal entity required to file a statement  
4     described in Section 480 fails to do so within 45 days from the  
5     date of a written request by the assessor, a penalty of either: (1)  
6     one hundred dollars (\$100), or (2) 10 percent of the taxes applicable  
7     to the new base year value reflecting the change in ownership of  
8     the real property or manufactured home, whichever is greater, but  
9     not to exceed two thousand five hundred dollars (\$2,500) if the  
10    failure to file was not willful, shall, except as otherwise provided  
11    in this section, be added to the assessment made on the roll. The  
12    penalty shall apply for failure to file a complete change in  
13    ownership statement notwithstanding the fact that the assessor  
14    determines that no change in ownership has occurred as defined  
15    in Chapter 2 (commencing with Section 60) of Part 0.5. The penalty  
16    may also be applied if after a request the transferee files an  
17    incomplete statement and does not supply the missing information  
18    upon a second request.

19    (b) If a person or legal entity required to file a statement  
20    described in Section 480.1 or 480.2 fails to do so within 45 days  
21    from the earlier of (1) the date of the change in control or the  
22    change in ownership of the corporation, partnership, limited  
23    liability company, or other legal entity, or (2) the date of a written  
24    request by the State Board of Equalization, a penalty of ~~10~~ 20  
25    percent of the taxes applicable to the new base year value reflecting  
26    the change in control or change in ownership of the real property  
27    owned by the corporation, partnership, or legal entity, or ~~10~~ 20  
28    percent of the current year's taxes on that property if no change  
29    in control or change in ownership occurred, shall be added to the  
30    assessment made on the roll. The penalty shall apply for failure to  
31    file a complete statement notwithstanding the fact that the board  
32    determines that no change in control or change in ownership has  
33    occurred as defined in subdivision (c) or (d) of Section 64. The  
34    penalty may also be applied if after a request the person or legal  
35    entity files an incomplete statement and does not supply the missing  
36    information upon a second request. That penalty shall be in lieu  
37    of the penalty provisions of subdivision (a).

38    (c) The penalty for failure to file a timely statement pursuant to  
39    Sections 480, 480.1, and 480.2 for any one transfer may be imposed

1 only one time, even though the assessor may initiate a request as  
2 often as he or she deems necessary.

3 (d) The penalty shall be added to the roll in the same manner  
4 as a special assessment and treated, collected, and subject to the  
5 same penalties for the delinquency as all other taxes on the roll in  
6 which it is entered.

7 (1) When the transfer to be reported under this section is of a  
8 portion of a property or parcel appearing on the roll during the  
9 fiscal year in which the 45-day period expires, the current year's  
10 taxes shall be prorated so the penalty will be computed on the  
11 proportion of property which has transferred.

12 (2) Any penalty added to the roll pursuant to this section  
13 between January 1 and June 30 may be entered either on the  
14 unsecured roll or the roll being prepared. After January 1, the  
15 penalty may be added to the current roll only with the approval of  
16 the tax collector.

17 (3) If the property is transferred or conveyed to a bona fide  
18 purchaser for value or becomes subject to a lien of a bona fide  
19 encumbrancer for value after the transfer of ownership resulting  
20 in the imposition of the penalty and before the enrollment of the  
21 penalty, the penalty shall be entered on the unsecured roll in the  
22 name of the transferee whose failure to file the change in ownership  
23 statement resulted in the imposition of the penalty.

24 (e) When a penalty imposed pursuant to this section is entered  
25 on the unsecured roll, the tax collector may immediately file a  
26 certificate authorized by Section 2191.3.

27 (f) Notice of any penalty added to either the secured or  
28 unsecured roll pursuant to this section shall be mailed by the  
29 assessor to the transferee at his or her address contained in any  
30 recorded instrument or document evidencing a transfer of an  
31 interest in real property or manufactured home or at any address  
32 reasonably known to the assessor.

33 *SEC. 7. No reimbursement is required by this act pursuant to*  
34 *Section 6 of Article XIII B of the California Constitution because*  
35 *the only costs that may be incurred by a local agency or school*  
36 *district will be incurred because this act creates a new crime or*  
37 *infraction, eliminates a crime or infraction, or changes the penalty*  
38 *for a crime or infraction, within the meaning of Section 17556 of*  
39 *the Government Code, or changes the definition of a crime within*

- 1 *the meaning of Section 6 of Article XIII B of the California*
- 2 *Constitution.*
- 3 *SEC. 8. This act provides for a tax levy within the meaning of*
- 4 *Article IV of the Constitution and shall go into immediate effect.*